

761—822.13(327H) Project agreement and administration.

822.13(1) *Agreement.* After the applicant has accepted the award for a project, department staff shall negotiate and execute an agreement with the applicant. Department staff shall administer the agreement.

a. The agreement shall specify the scope of the project, the approved funding level, and other conditions for project funding.

b. As applicable, the agreement shall address responsibilities for consultant selection, project design, right-of-way acquisition, contracting, construction and materials inspection; documentation required for reimbursement of project costs; loan repayment terms; audit requirements; and maintenance of the completed project.

c. The applicant shall execute the agreement within 180 days following the acceptance of the award. The applicant may request an extension, and department staff may approve an extension for good cause. Failure to execute an agreement within the specified time may result in forfeiture of the award.

822.13(2) *Reimbursement.* The applicant will be reimbursed for eligible project costs in accordance with the agreement.

822.13(3) *Audits.*

a. Prior to execution of the agreement, department staff may perform a preaudit evaluation of the applicant or others as defined in the agreement. A preaudit evaluation typically includes an examination of accounting methods to determine the applicant's ability to segregate and accumulate costs to be charged against the project, and an analysis of costs factors to ensure their propriety and allowability.

b. Department staff may conduct a final audit of all project costs.

822.13(4) *Remedies for noncompliance with project agreement.* The commission may revoke a funding commitment, require repayment of funds loaned or granted or take both actions when the applicant has not fulfilled the terms of the project agreement.

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